



General Assembly

February Session, 2008

Amendment

LCO No. 6056

SB0003206056SD0

Offered by:
SEN. HARRIS, 5th Dist.

To: Subst. Senate Bill No. 32

File No. 584

Cal. No. 382

"AN ACT CONCERNING THE FINANCIAL CONDITION OF NURSING HOMES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subdivision (5) of subsection (f) of section 17b-340 of the
4 2008 supplement to the general statutes is repealed and the following
5 is substituted in lieu thereof (*Effective July 1, 2008*):

6 (5) For the purpose of determining allowable fair rent, a facility with
7 allowable fair rent less than the twenty-fifth percentile of the state-
8 wide allowable fair rent shall be reimbursed as having allowable fair
9 rent equal to the twenty-fifth percentile of the state-wide allowable fair
10 rent, provided for the fiscal years ending June 30, 1996, and June 30,
11 1997, the reimbursement may not exceed the twenty-fifth percentile of
12 the state-wide allowable fair rent for the fiscal year ending June 30,
13 1995. On and after July 1, [1998] 2008, the Commissioner of Social
14 Services [may] shall allow minimum fair rent as the basis upon which
15 reimbursement associated with improvements to real property is

16 added. Beginning with the fiscal year ending June 30, 1996, any facility
17 with a rate of return on real property other than land in excess of
18 eleven per cent shall have such allowance revised to eleven per cent.
19 Effective July 1, 2008, any chronic and convalescent nursing home and
20 rest home with nursing supervision that has fully amortized (A) the
21 base value of its original real property, other than land, or (B) the base
22 value of its real property, other than land, for property additions
23 associated with an increase in bed capacity in such facility shall have
24 the fair rental allowance for the use of such real property replaced with
25 the lesser of: (i) A value equal to twelve dollars multiplied by the
26 facility's total annual resident days, or (ii) the previous fair rental
27 allowance received for such real property other than land. In no event
28 shall a facility receive allowable fair rent less than the twenty-fifth
29 percentile of the state-wide allowable fair rent. Any facility or its
30 related realty affiliate which finances or refinances debt through bonds
31 issued by the State of Connecticut Health and Education Facilities
32 Authority shall report the terms and conditions of such financing or
33 refinancing to the Commissioner of Social Services within thirty days
34 of completing such financing or refinancing. The Commissioner of
35 Social Services may revise the facility's fair rent component of its rate
36 to reflect any financial benefit the facility or its related realty affiliate
37 received as a result of such financing or refinancing, including, but not
38 limited to, reductions in the amount of debt service payments or
39 period of debt repayment. The commissioner shall allow actual debt
40 service costs for bonds issued by the State of Connecticut Health and
41 Educational Facilities Authority if such costs do not exceed property
42 costs allowed pursuant to subsection (f) of section 17-311-52 of the
43 regulations of Connecticut state agencies, provided the commissioner
44 may allow higher debt service costs for such bonds for good cause. For
45 facilities which first open on or after October 1, 1992, the commissioner
46 shall determine allowable fair rent for real property other than land
47 based on the rate of return for the cost year in which such bonds were
48 issued. The financial benefit resulting from a facility financing or
49 refinancing debt through such bonds shall be shared between the state
50 and the facility to an extent determined by the commissioner on a case-

51 by-case basis and shall be reflected in an adjustment to the facility's
52 allowable fair rent.

53 Sec. 2. Subdivision (1) of subsection (d) of section 19a-537 of the
54 general statutes is repealed and the following is substituted in lieu
55 thereof (*Effective July 1, 2008*):

56 (1) A facility shall be reimbursed for reserving the bed of a resident
57 who is hospitalized for a maximum of seven days including the
58 admission date of hospitalization, if on such date the nursing home
59 documents that (A) it has a vacancy rate of not more than [three] six
60 beds or [three] six per cent of licensed capacity, whichever is greater,
61 and (B) it contacted the hospital and the hospital failed to provide
62 objective information confirming that the person would be unable to
63 return to the nursing home within fifteen days of the date of
64 hospitalization."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	17b-340(f)(5)
Sec. 2	<i>July 1, 2008</i>	19a-537(d)(1)